

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

UNCLASSIFIED

Page: 1

Channel: n/a

<<<>>

E87

UNCLASSIFIED PTQ8161

PAGE 01 BOGOTA 06906 01 OF 06 051908Z RELEASED IN FULL
ACTION WHA-00

INFO	LOG-00	COR-01	NP-00	AID-00	AMAD-00	AEX-00	ACQ-00
	CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
	DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00
	EXME-00	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00
	VCE-00	AC-01	DCP-01	NSAE-00	OES-01	OIC-02	OMB-01
	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	IRM-00	SSO-00	STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00
	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00

/013W

-----D4E20F 051910Z /38

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0149
DIRONDCP WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 01 OF 06 BOGOTA 006906

UNCLASSIFIED

PAGE 02 BOGOTA 06906 01 OF 06 051908Z
CORRECTED COPY - TEXT ON SECTION 04

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDPC FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

Current Class: UNCLASSIFIED

Page: 1

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: OSCAR J OLSON
DATE/CASE ID: 02 JUL 2004 200303455

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

UNCLASSIFIED

Page: 2

Channel: n/a

1. SUMMARY. THE URIBE ADMINISTRATION WILL BE TAKING OFFICE AMIDST GREAT EXPECTATIONS. URIBE'S FIRST ROUND VICTORY WAS FUELED BY THE POPULATION'S DESIRE TO INCREASE SECURITY AND END THE LONG-STANDING CONFLICT WITH GUERRILLA AND PARAMILITARY GROUPS. THE URIBE CAMP IS POSITIONING ITSELF TO INCREASE GOVERNMENT PRESENCE THROUGHOUT THE COUNTRY, NOT ONLY IN SECURITY TERMS BUT ALSO IN BASIC SERVICES. THEY PLAN TO ARTICULATE THIS VISION IN A PUBLICLY DISSEMINATED NATIONAL SECURITY STRATEGY, WHICH THEY WILL SEEK TO FINANCE THROUGH THE ISSUANCE OF WAR BONDS AND INCREASED TAX COLLECTION. URIBE AND HIS TEAM ARE COMMITTED TO A STRENGTHENED COUNTERNARCOTICS PROGRAM (INCLUDING AGGRESSIVE AERIAL SPRAYING) THAT IS TIED INTO AN OVERALL COUNTER-TERRORISM STRATEGY. THEY ALSO ARE FOCUSING ON STRUCTURAL REFORMS, BUT FACE MANY OBSTACLES, INCLUDING A STRUGGLING ECONOMY, INCREASED GUERRILLA AND PARAMILITARY VIOLENCE AND AN UNCERTAIN MAJORITY IN CONGRESS. THE USG REMAINS DEEPLY ENGAGED IN COLOMBIA AND THE URIBE ADMINISTRATION HAS

UNCLASSIFIED

PAGE 03 BOGOTA 06906 01 OF 06 051908Z
DEMONSTRATED ITS DESIRE TO STRENGTHEN THIS RELATIONSHIP. IT WELCOMES THE ENHANCED ATPA BENEFITS, AND SEEKS TO IMPROVE THE INVESTMENT CLIMATE TO ATTRACT FOREIGN INVESTMENT. THERE ARE, HOWEVER, PENDING INVESTMENT, IPR AND AGRICULTURAL RESTRICTIONS THAT ARE OF CONCERN. END SUMMARY.

URIBE TAKES OVER

2. PRESIDENT-ELECT URIBE WILL BE TAKING OVER THE RESPONSIBILITY FOR LEADING A COUNTRY SEEKING TO FIND ITS WAY OUT OF A SERIOUS CRISIS WITH SECURITY, HUMAN RIGHTS, NARCOTICS, DEVELOPMENT, AND ECONOMIC ELEMENTS. IN THE MAY 26 ELECTION, HE WON A RESOUNDING MAJORITY (52 PCT, WITH HIS NEAREST OPPONENT 20 POINTS BEHIND HIM). AT THE HEART OF HIS CAMPAIGN WAS A PROMISE TO RESTORE "DEMOCRATIC SECURITY" TO A COUNTRY THOROUGHLY SICK OF CONTINUED ATTACKS BY COLOMBIA'S GUERRILLAS (WHO ARE AT LEAST NOMINALLY MARXIST IN IDEOLOGY, AND WHO, DESPITE INFINITESIMAL PUBLIC SUPPORT, HAVE FLOURISHED WITH THE PROFITS FROM PROTECTING, AND IN SOME CASES DIRECTLY INVOLVING THEMSELVES, IN ILLEGAL NARCOTICS PRODUCTION AND TRAFFICKING). URIBE, WHO RAN AS AN INDEPENDENT, HAS ALSO PROMISED TO REFORM COLOMBIA'S POLITICAL SYSTEM, LONG DOMINATED BY "MACHINE"-STYLE DEAL MAKING AND A HIGH LEVEL OF CORRUPTION. HE HAS NAMED HIS CABINET, WHICH IS DOMINATED BY TECHNOCRATS, AND HAS LITTLE OF THE REGIONAL, PARTY, OR FACTIONAL BALANCING WHICH HAS TRADITIONALLY

Current Class: UNCLASSIFIED

Page: 2

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 3

Channel: n/a

CHARACTERIZED COLOMBIAN GOVERNMENTS. IN RECENT MEETINGS WITH THE NEW CONGRESSIONAL LEADERSHIP, URIBE HAS TAKEN UP HIS CAMPAIGN PLEDGE TO REFORM THE CONGRESS.

UNCLASSIFIED

PAGE 04 BOGOTA 06906 01 OF 06 051908Z

3. PRESIDENT-ELECT URIBE AND HIS TEAM ARE MOST CONCERNED WITH HONORING HIS CAMPAIGN PLEDGE TO INCREASE SECURITY. THEY ARE LOOKING AT WAYS OF INCREASING PHYSICAL SECURITY AS A PRIORITY, BUT THEY HOPE TO CREATE AN OVERARCHING STRATEGY THAT NOT ONLY INCREASES PHYSICAL SECURITY BUT ALSO INCREASES GOVERNMENT PRESENCE AND SERVICES THROUGHOUT THE COUNTRY. URIBE AND HIS CABINET ALSO SEE OVERALL ECONOMIC SECURITY AND STABILITY AS AN IMPORTANT ELEMENT OF THIS STRATEGY. TO FINANCE THEIR STRATEGY, THEY WILL ATTEMPT TO INCREASE TAX COLLECTION, THROUGH BOTH THE CREATION OF A WAR BOND AND INCREASED ENFORCEMENT TO LOWER COLOMBIA'S WIDESPREAD TAX EVASION.

PASTRANA'S LEGACY

4. OUTGOING PRESIDENT ANDRES PASTRANA STAKED HIS PRESIDENCY ON HIS QUEST TO ACHIEVE PEACE WITH COLOMBIA'S INSURGENTS. WITH THE FAILURE OF THESE TALKS AFTER THE ARMED REVOLUTIONARY FORCES OF COLOMBIA (FARC) HIJACKED A CIVILIAN AIRCRAFT IN APRIL, PASTRANA ORDERED THE ARMY TO RETAKE THE SAFE HAVEN GRANTED TO THE FARC IN 1999. PEACE DISCUSSIONS WITH THE NATIONAL LIBERATION ARMY (ELN), WHICH AT TIMES HAD APPEARED PROMISING, BUT WHICH NEVER REACHED A CONCLUSION, WERE BROKEN OFF SHORTLY THEREAFTER. SINCE APRIL, INSURGENT ACTIVITY HAS CONTINUED MORE OR LESS AS BEFORE, WITH INTERMITTENT SPASMS OF VIOLENCE. COLOMBIA'S ARMED FORCES HAVE IMPROVED CONSIDERABLY IN RECENT YEARS, AND HAVE BEEN ABLE TO TAKE THE OFFENSIVE ON

UNCLASSIFIED

PAGE 05 BOGOTA 06906 01 OF 06 051908Z

UNCLASSIFIED

UNCLASSIFIED PTQ8165

PAGE 01 BOGOTA 06906 02 OF 06 051910Z
ACTION WHA-00

INFO LOG-00 COR-01 NP-00 AID-00 AMAD-00 AEX-00 ACQ-00

Current Class: UNCLASSIFIED

Page: 3

UNCLASSIFIED

UNCLASSIFIED

Page: 4

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Channel: n/a

CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00
EXME-00	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
H-01	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00
VCE-00	AC-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01
PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00	SSO-00
STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00	PMB-00	DSCC-00
PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/012W	

-----D4E23A 051911Z /38

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0150
DIRONDCP WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 02 OF 06 BOGOTA 006906

C O R R E C T E D C O P Y - TEXT ON SECTION 04
UNCLASSIFIED

PAGE 02 BOGOTA 06906 02 OF 06 051910Z

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDPC FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

A NUMBER OF OCCASIONS, ALTHOUGH IT IS DIFFICULT FOR THEM TO
SUSTAIN PROLONGED OFFENSIVE OPERATIONS.

5. ANOTHER ELEMENT OF COLOMBIA'S VIOLENCE IS THE "UNITED SELF-DEFENSE FORCES OF COLOMBIA," (SPANISH INITIALS AUC), ALSO KNOWN AS "THE PARAMILITARIES." A FUSION OF VIGILANTES PROTECTING RURAL LAND OWNERS AND SECURITY FORCES EARLIER PUT TOGETHER BY COLOMBIA'S DRUG DEALERS, THEY HAVE GROWN IN SIZE AND HAVE ENGAGED THE GUERRILLAS MILITARILY, WHILE TRYING TO

Current Class: UNCLASSIFIED

Page: 4

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

UNCLASSIFIED

Page: 5

Channel: n/a

DEVELOP SOME MEASURE OF POLITICAL IDENTITY AND LEGITIMACY. LIKE THE GUERRILLAS, THEY ARE INTIMATELY INVOLVED IN THE NARCOTICS TRADE. ALTHOUGH MOST COLOMBIANS ARE OPPOSED TO PARAMILITARISM, THE ABSENCE OF POLICE AND MILITARY PRESENCE IN MANY AREAS MAKES THEM APPEAR TO SOME AS THE LESSER OF TWO EVILS. BOTH THE PARAMILITARIES AND THE GUERRILLAS ARE RESPONSIBLE FOR COLOMBIA'S DISMAL HUMAN RIGHTS PICTURE, WHICH INCLUDES LARGE-SCALE MASSACRES, TARGETED ASSASSINATIONS, AND THE DISPLACEMENT OF FEARFUL RURAL POPULATIONS INTO EVER MORE CROWDED URBAN AREAS.

UNCLASSIFIED

PAGE 03 BOGOTA 06906 02 OF 06 051910Z

PLAN COLOMBIA: PROGRESS AND PROBLEMS IN FIRST YEAR

6. "PLAN COLOMBIA" WAS DEVELOPED BY COLOMBIA AND SUPPORTED BY THE U.S. BECAUSE OF OUR CONCERN ABOUT THE RAPID INCREASE OF COCA CULTIVATION IN SOUTHERN COLOMBIA (OVER 30 PCT IN 1999-2000). PLAN COLOMBIA'S GOALS INCLUDE INTERDICTION, ERADICATION, ALTERNATIVE DEVELOPMENT, ASSISTANCE TO DISPLACED PERSONS, AND IMPROVING THE COLOMBIAN GOVERNMENT'S CAPACITY TO GOVERN AND PROTECT HUMAN RIGHTS. THE U.S. CONGRESS HAS PROVIDED SUBSTANTIAL RESOURCES FOR THIS EFFORT IN BOTH 2001 AND 2002. IN THE COURSE OF THIS YEAR THESE PROGRAMS, ESPECIALLY COUNTERNARCOTICS SPRAYING AND INTERDICTION IN THE SOUTHERN DEPARTMENTS OF PUTUMAYO AND CAQUETA, WILL PUT INCREASING PRESSURE ON TRAFFICKERS, MAKING SOME OF OUR PROJECTS MORE CONTROVERSIAL. RENEWED SPRAYING SINCE JULY 28 IN THE PUTUMAYO REGION HAS BEEN SUCCESSFUL (2,300 HECTARES SPRAYED IN THREE DAYS). THIS EFFORT HAS BEEN ACCCOMPANIED BY INCREASED INTERDICTION BY THE COUNTER-DRUG BRIGADE, SUPPORTED BY COLAR HELICOPTERS, AIMED AT DISMANTLING THE FARC'S DRUG TRAFFICKING INFRASTRUCTURE AND PROVIDING ADDED SECURITY FOR THE SPRAY AIRCRAFT. IN 2002, 61,742 HECTARES OF COCA AND 1,836 HECTARES OF POPPY HAVE BEEN SPRAYED. PRESIDENT-ELECT URIBE HAS ASSURED HIS ADMINISTRATION'S SUPPORT FOR CONTINUED AGGRESSIVE SPRAYING.

ALTERNATIVE DEVELOPMENT

UNCLASSIFIED

PAGE 04 BOGOTA 06906 02 OF 06 051910Z

7. (U) AS PART OF PLAN COLOMBIA, EMBASSY ALTERNATIVE

Current Class: UNCLASSIFIED

Page: 5

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

UNCLASSIFIED

Page: 6

Channel: n/a

DEVELOPMENT EFFORTS HAVE CONCENTRATED IN PUTUMAYO AND CAQUETA, THE AREAS OF COLOMBIA'S DENSEST COCA CULTIVATION, WITH THE INTENTION OF COMPLEMENTING ERADICATION EFFORTS THERE. IN ADDITION, THE PROGRAM IS NOW FOCUSING ON HELPING TO DEVELOP THE NECESSARY INFRASTRUCTURE IN THESE AREAS AND TO DATE 70 SMALL AND MEDIUM SCALE INFRASTRUCTURE PROGRAMS HAVE BEEN COMPLETED IN PUTUMAYO AND CAQUETA. USAID IS ALSO INTEGRATING THIS PROGRAM WITH A SEPARATE LOCAL GOVERNMENT PROGRAM THAT ASSISTS MUNICIPALITIES THAT AGREE TO ERADICATION. AS OF JULY 2002, USAID HAS HELPED ESTABLISH 4,486 HECTARES OF LICIT CROPS INVOLVING 10,487 FAMILIES IN POPPY AND COCA GROWING AREAS. THE INVESTMENT IN ALTERNATIVE DEVELOPMENT HAS BEEN \$20 MILLION WITH ANOTHER \$50 MILLION UNDERWAY THROUGH FY 2003. INCOMING AGRICULTURAL MINISTER CARLOS CANO HOPES TO RESTRUCTURE THE GOC'S EFFORTS, INCLUDING FUSING THE FOUR SEPARATE GROUPS CURRENTLY INVOLVED INTO ONE AGENCY, TO FOCUS ON WHAT HE CALLS "PREVENTIVE ALTERNATIVE DEVELOPMENT", WHICH WILL SEEK TO KEEP FAMILIES FROM MIGRATING TO THE COCA GROWING AREAS IN SOUTHERN COLOMBIA BY SUPPORTING TRADITIONAL AGRICULTURAL AREAS.

HUMAN RIGHTS SITUATION GRIM.

8. COLOMBIA'S POPULATION, ESPECIALLY IN RURAL AREAS, CONTINUES TO SUFFER ENORMOUSLY FROM THE INTERNAL,

UNCLASSIFIED

PAGE 05 BOGOTA 06906 02 OF 06 051910Z

UNCLASSIFIED

UNCLASSIFIED PTQ8170

PAGE 01 BOGOTA 06906 03 OF 06 051911Z
ACTION WHA-00

INFO	LOG-00	COR-01	NP-00	AID-00	AMAD-00	AEX-00	ACQ-00
	CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
	DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00
	EXME-00	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00
	VCE-00	AC-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01
	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00	IRM-00
	SSO-00	STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00	PMB-00
	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/012W

-----D4E25B 051913Z /38

Current Class: UNCLASSIFIED

Page: 6

UNCLASSIFIED

Current Class: UNCLASSIFIED

Page: 7

Current Handling: n/a

Document Number: 2002BOGOTA06906

Channel: n/a

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0151
DIRONDCP WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 03 OF 06 BOGOTA 006906

C O R R E C T E D C O P Y - TEXT ON SECTION 04
UNCLASSIFIED

PAGE 02 BOGOTA 06906 03 OF 06 051911Z

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDCP FOR DIR WALTERS

E.O. 12958: N/A

TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

COCA-EXACERBATED, CONFLICT. THE NUMBER OF PARAMILITARY MASSACRES HAS DECLINED, PROBABLY DUE TO AUC PARAMILITARY LEADER CARLOS CASTANO'S EFFORTS SINCE JANUARY TO GAIN POLITICAL CREDIBILITY FOR THE AUC BY SUSPENDING MASS KILLINGS. HOWEVER, HUMAN RIGHTS GROUPS CONTINUE TO REPORT A LARGE, BUT UNCOUNTED, NUMBER OF EXTRAJUDICIAL KILLINGS BY BOTH PARAMILITARY AND GUERRILLA GROUPS. BOTH ILLEGAL ARMED GROUPS ALSO CONTINUE TO ENGAGE IN DISPROPORTIONATE AND INDISCRIMINATE USE OF FORCE IN COMBAT, RESULTING IN MASSIVE DISPLACEMENTS OR (AS IN THE CASE OF THE MAY 2 BOJAYA MASSACRE) NUMEROUS DEATHS OF CIVILIANS. MANY OBSERVERS HAVE NOTED THAT DURING 2002, FARC GUERRILLAS APPEAR TO HAVE COMMITTED THE LARGEST NUMBER OF VIOLATIONS OF HUMAN RIGHTS AND INTERNATIONAL HUMANITARIAN LAW OF ANY ARMED GROUP. COLOMBIA'S POPULATION OF INTERNALLY DISPLACED PERSONS HAS GROWN AT THE ALARMING RATE OF APPROXIMATELY ONE-QUARTER OF A MILLION PEOPLE PER YEAR FOR THE LAST THREE YEARS, AND MILLIONS NOW LIVE IN MISERY IN SHANTY TOWNS SURROUNDING MAJOR

Current Class: UNCLASSIFIED

Page: 7

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 8

Channel: n/a

CITIES AND TOWNS. CHILDREN OF THE POOR AND THE DISPLACED ARE UNCLASSIFIED

PAGE 03 BOGOTA 06906 03 OF 06 051911Z
PARTICULARLY VULNERABLE TO MALNUTRITION, DISEASE, FORCED PROSTITUTION, OR RECRUITMENT BY ILLEGAL ARMED GROUPS.
GUERRILLA GROUPS CONTINUE TO RELY ON KIDNAPPING AS A SOURCE OF REVENUE. THE IMPUNITY RATE FOR HUMAN RIGHTS VIOLATIONS COMMITTED BY EITHER THE GUERRILLAS OR THE PARAMILITARIES REMAINS HIGH.

9. THE QUESTION OF WHETHER THE COLOMBIAN ARMED FORCES CONTINUE TO COLLUDE IN, OR FAIL TO PREVENT, HUMAN RIGHTS VIOLATIONS REMAINS A MAJOR HUMAN RIGHTS THEME. COLOMBIAN HUMAN RIGHTS GROUPS WERE CRITICAL OF THE RECENT STATE DEPARTMENT HUMAN RIGHTS CERTIFICATION THAT THE COLOMBIAN STATE WAS TAKING EFFECTIVE MEASURES TO COMBAT HUMAN RIGHTS ABUSES COMMITTED BY THE MILITARY AND COLLUSION WITH THE PARAMILITARIES. REPORTS OF HUMAN RIGHTS VIOLATIONS COMMITTED DIRECTLY BY UNIFORMED MILITARY HAVE DECLINED DRAMATICALLY IN RECENT YEARS, BUT HUMAN RIGHTS GROUPS DO NOT CONSIDER THESE FIGURES MEANINGFUL, STATING THAT MILITARY-PARAMILITARY COLLUSION REMAINS HIGH. WE REMAIN CONVINCED THAT USG ASSISTANCE (AND ATTENDANT HUMAN RIGHTS VETTING OF MILITARY PERSONNEL BEFORE THEY ARE TRAINED) HAS BEEN AN IMPORTANT TOOL IN HELPING THE MILITARY COMMAND TO DISENGAGE FROM THE PARAMILITARIES (WHO AT ONE TIME WERE CONSIDERED A FORCE MULTIPLIER). THE DEGREE TO WHICH PASSIVE OR ACTIVE COLLUSION OCCURS IN THE FIELD IS DIFFICULT TO MEASURE, ALTHOUGH AVAILABLE REPORTS SUGGEST A DOWNWARD TREND. INVESTIGATION OF HUMAN RIGHTS VIOLATIONS BY THE MILITARY CONTINUES TO BE SLOW, PARTICULARLY WHEN SENIOR OFFICERS ARE INVOLVED. THE MILITARY ASIDE, IT IS UNDENIABLE THAT MANY ELEMENTS OF COLOMBIAN SOCIETY, PARTICULARLY RURAL LANDOWNERS BUT ALSO SOME RURAL AND URBAN POOR, SUPPORT THE PARAMILITARIES.

UNCLASSIFIED

PAGE 04 BOGOTA 06906 03 OF 06 051911Z
COLOMBIAN LAW ENFORCEMENT OFFICIALS, PARTICULARLY SINCE FALL 2001, HAVE STEPPED UP EFFORTS TO CAPTURE AND PROSECUTE PARAMILITARIES AND THEIR SUPPORTERS.

THE ECONOMY

10. HISTORICALLY, COLOMBIA HAD BEEN ONE OF THE DEVELOPING WORLD'S MORE SUCCESSFUL ECONOMIES, ENJOYING STEADY GROWTH OF FOUR TO FIVE PERCENT, AND CONSTANTLY IMPROVING LEVELS OF

Current Class: UNCLASSIFIED

Page: 8

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 9

Channel: n/a

LITERACY, PUBLIC HEALTH, AND OTHER IMPORTANT INDICATORS. IN RECENT YEARS, THE DETERIORATING SECURITY ENVIRONMENT AND ECONOMIC WEAKNESS, HOWEVER, HAVE REVERSED THESE TRENDS, AND LIFE HAS BECOME HARDER FOR THE AVERAGE COLOMBIAN. IN 1998, COLOMBIA FACED ITS FIRST RECESSION IN 50 YEARS, AND UNEMPLOYMENT SURGED TO ALMOST 21 PCT. GIVEN THAT COLOMBIA'S ECONOMY WAS MORE OPEN THAN IT HAD BEEN BEFORE AND THUS COULD NOT ESCAPE GLOBAL FINANCIAL TURBULENCE, COLOMBIA'S RECESSION WAS AGGRAVATED BY A MAJOR BANKING CRISIS. PASTRANA'S PREDECESSOR, ERNESTO SAMPER, HAD ENGAGED IN FREE SPENDING, WHILE ALLOWING THE PESO TO REMAIN UNSUSTAINABLY STRONG, POLICIES THAT CAME HOME TO ROOST WHEN THE EXTERNAL ENVIRONMENT BECAME UNFAVORABLE.

11. PASTRANA HAD TO PICK UP THE PIECES. AFTER SOME DELAY, HE REACHED AN AGREEMENT WITH THE IMF THAT PROVIDED NECESSARY SUPPORT. THE PESO WAS DEVALUED AND EVENTUALLY ALLOWED TO FLOAT. GOVERNMENT SPENDING WAS REINED IN AND A

UNCLASSIFIED

PAGE 05 BOGOTA 06906 03 OF 06 051911Z

UNCLASSIFIED

UNCLASSIFIED PTQ4675

PAGE 01 BOGOTA 06906 04 OF 06 030100Z
ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	AEX-00	ACQ-00	CEA-01	CIAE-00
	COME-00	CTME-00	INL-00	DEAE-00	DINT-00	DOEE-00	ITCE-00
	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00	EXME-00	OIGO-00
	E-00	FAAE-00	UTED-00	VC-00	FRB-00	H-01	TEDE-00
	INR-00	IO-00	ITC-01	JUSE-00	L-00	VCE-00	AC-01
	DCP-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01	PA-00
	PM-00	PRS-00	ACE-00	P-00	SP-00	IRM-00	SSO-00
	STR-00	SVC-00	TEST-00	TRSE-00	USIE-00	EPAE-00	PMB-00
	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/012W

-----D412A9 030100Z /30

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0152
DIRONDCP WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY

Current Class: UNCLASSIFIED

Page: 9

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 10

Channel: n/a

AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 04 OF 06 BOGOTA 006906

STATE PLS PASS USTR ZOELLICK
UNCLASSIFIED

PAGE 02 BOGOTA 06906 04 OF 06 030100Z
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDPC FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

REVENUE-ENHANCING TAX REFORM WAS PASSED. THE ECONOMY WAS EFFECTIVELY STABILIZED, THE BANKING SYSTEM WAS CLEANED UP, AND COLOMBIA MAINTAINED ITS ABILITY TO ACCESS INTERNATIONAL CREDIT MARKETS. GROWTH RETURNED IN 2000 AT 2.9 PCT. IT CONTINUED IN 2001, BUT AT A SLOWER RATE OF 1.67 PCT. A MAJOR FACTOR IN THE SLOWNESS OF THE RECOVERY IS THE LOW RATE OF INVESTMENT, BOTH DOMESTIC AND FOREIGN, WHICH MOST OBSERVERS LINK TO THE UNCERTAIN SECURITY SITUATION. IN 2001, THE ECONOMY (AND GOVERNMENT FINANCES) TOOK AN UNEXPECTED HIT WHEN GUERRILLA ATTACKS SHUT DOWN FOR SEVEN MONTHS THE PIPELINE THAT BRINGS TO PORT OIL FROM ONE OF COLOMBIA'S MOST IMPORTANT OILFIELDS. WITH THE ECONOMY SLUGGISH, UNEMPLOYMENT REMAINS HIGH, AT 16 PCT, AND PROSPECTS ARE DIM FOR ANY RAPID REDUCTION.

TRADE ISSUES

12. THE U.S. IS COLOMBIA'S LARGEST TRADING PARTNER, AND COLOMBIA WILL BENEFIT FROM THE OPENING OFFERED BY THE ENHANCED ANDEAN TRADE PREFERENCE ACT (ATPA). BOTH THE
UNCLASSIFIED

PAGE 03 BOGOTA 06906 04 OF 06 030100Z
GOVERNMENT AND PRIVATE SECTOR ARE EAGERLY AWAITING THE OCTOBER START-UP OF ENHANCED ATPA THAT WILL PROVIDE IMPORTANT NEW OPPORTUNITIES IN THE TEXTILE, LEATHER AND PETROLEUM SECTORS. THE TEXTILE PRODUCERS OF COLOMBIA ARE PARTICULARLY

Current Class: UNCLASSIFIED

Page: 10

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 11

Channel: n/a

EXCITED ABOUT THE POSSIBILITIES OFFERED BY THE NEW LEGISLATION.

13. COLOMBIA HAS BEEN AN ACTIVE PARTICIPANT IN THE FREE TRADE AREA OF THE AMERICAS PROCESS AND THE WTO. ITS MAIN PRIORITIES IN BOTH ARE INCREASED MARKET ACCESS, STRONGER DISCIPLINES ON THE USE OF ANTI-DUMPING MEASURES, AND RECOGNITION OF THE POTENTIAL IMPACT OF TRADE EXPANDING AGREEMENTS ON THE AGRICULTURAL SECTOR. THE PASTRANA ADMINISTRATION RAISED THE ISSUE OF A FREE TRADE AGREEMENT WITH THE U.S., EITHER BILATERALLY OR WITH ITS ANDEAN PARTNERS, PRIOR TO THE CREATION OF THE FTAA. THE NEW URIBE TEAM IS REVIEWING THIS APPROACH, BUT IS VERY INTERESTED IN INCREASING U.S. INVESTMENT AND TRADE. THE SUSTAINED FALL IN WORLD COFFEE PRICES HAS HIT COLOMBIA, A MAJOR PRODUCER, HARD. WHILE BOTH THE INCOMING AND OUTGOING ADMIRTRAPICNS REALIZE THAT THE RETURN OF (###) RESULT OF GUERRILLA ATTACKS. THIS SHUTDOWN RESULTED IN A .5

(##) GARBLED TEXT CORRECTIONS WILL FOLLOW

UNCLASSIFIED

UNCLASSIFIED PTQ8187

PAGE 01 BOGOTA 06906 04 OF 06 051913Z
ACTION WHA-00

INFO	LOG-00	COR-01	NP-00	AID-00	AMAD-00	AEX-00	ACQ-00
	CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
	DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00
	EXME-00	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00
	VCE-00	AC-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01
	PA-00	PER-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	SSO-00	STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00	PMB-00
	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/012W

-----D4E2DD 051918Z /38

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0152
DIRONDCP WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY

Current Class: UNCLASSIFIED

Page: 11

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 12

Channel: n/a

USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 04 OF 06 BOGOTA 006906

C O R R E C T E D C O P Y - TEXT ON SECTION 04
UNCLASSIFIED

PAGE 02 BOGOTA 06906 04 OF 06 051913Z

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDPC FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

REVENUE-ENHANCING TAX REFORM WAS PASSED. THE ECONOMY WAS EFFECTIVELY STABILIZED, THE BANKING SYSTEM WAS CLEANED UP, AND COLOMBIA MAINTAINED ITS ABILITY TO ACCESS INTERNATIONAL CREDIT MARKETS. GROWTH RETURNED IN 2000 AT 2.9 PCT. IT CONTINUED IN 2001, BUT AT A SLOWER RATE OF 1.67 PCT. A MAJOR FACTOR IN THE SLOWNESS OF THE RECOVERY IS THE LOW RATE OF INVESTMENT, BOTH DOMESTIC AND FOREIGN, WHICH MOST OBSERVERS LINK TO THE UNCERTAIN SECURITY SITUATION. IN 2001, THE ECONOMY (AND GOVERNMENT FINANCES) TOOK AN UNEXPECTED HIT WHEN GUERRILLA ATTACKS SHUT DOWN FOR SEVEN MONTHS THE PIPELINE THAT BRINGS TO PORT OIL FROM ONE OF COLOMBIA'S MOST IMPORTANT OILFIELDS. WITH THE ECONOMY SLUGGISH, UNEMPLOYMENT REMAINS HIGH, AT 16 PCT, AND PROSPECTS ARE DIM FOR ANY RAPID REDUCTION.

TRADE ISSUES

UNCLASSIFIED

PAGE 03 BOGOTA 06906 04 OF 06 051913Z
12. THE U.S. IS COLOMBIA'S LARGEST TRADING PARTNER, AND COLOMBIA WILL BENEFIT FROM THE OPENING OFFERED BY THE ENHANCED ANDEAN TRADE PREFERENCE ACT (ATPA). BOTH THE GOVERNMENT AND PRIVATE SECTOR ARE EAGERLY AWAITING THE OCTOBER START-UP OF ENHANCED ATPA THAT WILL PROVIDE IMPORTANT NEW OPPORTUNITIES IN THE TEXTILE, LEATHER AND PETROLEUM SECTORS. THE TEXTILE PRODUCERS OF COLOMBIA ARE PARTICULARLY

Current Class: UNCLASSIFIED

Page: 12

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 13

Channel: n/a

EXCITED ABOUT THE POSSIBILITIES OFFERED BY THE NEW LEGISLATION.

13. COLOMBIA HAS BEEN AN ACTIVE PARTICIPANT IN THE FREE TRADE AREA OF THE AMERICAS PROCESS AND THE WTO. ITS MAIN PRIORITIES IN BOTH ARE INCREASED MARKET ACCESS, STRONGER DISCIPLINES ON THE USE OF ANTI-DUMPING MEASURES, AND RECOGNITION OF THE POTENTIAL IMPACT OF TRADE EXPANDING AGREEMENTS ON THE AGRICULTURAL SECTOR. THE PASTRANA ADMINISTRATION RAISED THE ISSUE OF A FREE TRADE AGREEMENT WITH THE U.S., EITHER BILATERALLY OR WITH ITS ANDEAN PARTNERS, PRIOR TO THE CREATION OF THE FTAA. THE NEW URIBE TEAM IS REVIEWING THIS APPROACH, BUT IS VERY INTERESTED IN INCREASING U.S. INVESTMENT AND TRADE: THE SUSTAINED FALL IN WORLD COFFEE PRICES HAS HIT COLOMBIA, A MAJOR PRODUCER, HARD.

WHILE BOTH THE INCOMING AND OUTGOING ADMINISTRATIONS REALIZE THAT THE RETURN OF MANAGED COFFEE PRICES IS IMPOSSIBLE, THE ONGOING EFFORTS WITHIN THE INTERNATIONAL COFFEE ORGANIZATION TO STABILIZE PRICES ARE OF GREAT INTEREST. THE URIBE ADMINISTRATION IS ALSO INTERESTED IN FOCUSING COLOMBIA'S PRODUCTION INTO MORE HIGH-VALUED COFFEES (GOURMET AND ORGANIC FOR EXAMPLE) AND INCREASING THE AMOUNT OF PROCESSING DONE IN COUNTRY.

UNCLASSIFIED

PAGE 04 BOGOTA 06906 04 OF 06 051913Z

INVESTMENT ISSUES

14. COLOMBIA'S INVESTMENT REGIME, WHILE FORMALLY ADEQUATE, IS OF INCREASING CONCERN TO U.S. INVESTORS. THE INCOMING URIBE ADMINISTRATION HAS TOLD U.S. INVESTORS AND THE EMBASSY THAT IT INTENDS TO HONOR ALL EXISTING CONTRACTS, BUT OUR TWO MAJOR INVESTMENT DISPUTES, INVOLVING NORTEL AND SITHE ENERGY, REMAIN UNSOLVED. NORTEL'S CASE TOOK A POSITIVE TURN IN JUNE WHEN THE SUPREME COURT RULED IN ITS FAVOR, BUT IT HAS YET TO BE PAID. SITHE HAS CONTRACTED A NEW LOCAL ATTORNEY BUT THERE HAS BEEN LITTLE MOVEMENT ON THE CASE. BOTH COMPANIES HAVE FILED COMPLAINTS WITH USTR FOR THE GOC'S NON-COMPLIANCE WITH ATPA PROVISIONS REGARDING ARBITRAL AWARDS. THE AMBASSADOR AND EMBASSY STAFF HAVE STRESSED THE IMPORTANCE OF A QUICK RESOLUTION TO BOTH CASES TO THE INCOMING URIBE ADMINISTRATION. THE PASTRANA ADMINISTRATION EXPRESSED INTEREST IN A BILATERAL INVESTMENT TREATY, BUT DID NOT PRESENT A LIST OF PROPOSED EXEMPTIONS AS REQUESTED. URIBE'S TEAM HAS NOT MADE A DECISION REGARDING A BIT WITH THE U.S.

Current Class: UNCLASSIFIED

Page: 13

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 14

Channel: n/a

THE PIPELINE AND THE FY 2002 SUPPLEMENTAL

15. OCCIDENTAL PETROLEUM AND ITS PARTNERS WERE FORCED TO SHUT DOWN THE CANO LIMON PIPELINE FOR SEVEN MONTHS IN 2001 AS A RESULT OF GUERRILLA ATTACKS. THIS SHUTDOWN RESULTED IN A .5

UNCLASSIFIED

PAGE 05 BOGOTA 06906 04 OF 06 051913Z

UNCLASSIFIED

UNCLASSIFIED PTQ8192

PAGE 01 BOGOTA 06906 05 OF 06 051918Z
ACTION WHA-00

INFO	LOG-00	COR-01	NP-00	AID-00	AMAD-00	AEX-00	ACQ-00
	CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
	DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EB-00	EXME-00
	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00	VCE-00
	AC-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01	PA-00
	PM-00	PRS-00	ACE-00	P-00	SP-00	IRM-00	SSO-00
	STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00	PMB-00	DSCC-00
	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/012W	

-----D4E2FE 051920Z /38

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0153
DIRONDPC WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 05 OF 06 BOGOTA 006906

C O R R E C T E D C O P Y - TEXT ON SECTION 04
UNCLASSIFIED

PAGE 02 BOGOTA 06906 05 OF 06 051918Z

Current Class: UNCLASSIFIED

Page: 14

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 15

Channel: n/a

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDCP FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR COLOMBIA

PCT DROP IN GDP FOR THE YEAR. THE PIPELINE ATTACKS IN 2001 ALSO CAUSED MAJOR ENVIRONMENTAL DAMAGE IN THE AREA. EACH ATTACKS CAUSED 7-8,000 BARRELS OF OIL TO SPILL, MAKING THE TOTAL SPILLED CONSIDERABLY GREATER THAN WHAT WAS LOST WITH THE EXXON VALDEZ. OCCIDENTAL AND ITS PARTNERS ARE WORKING WITH LOCAL OFFICIALS TO INCREASE ENFORCEMENT. A NEW DISTRICT ATTORNEY (FISCAL) AND MILITARY DISTRICT COMMANDER HAVE STEPPED UP ENFORCEMENT AND ATTACKS HAVE DROPPED, ALTHOUGH SOME ANALYSTS POSIT THAT THE FARC HAD ITS OWN INTERNAL AND POLITICAL REASONS FOR LIMITING THE ATTACKS ON THE PIPELINE. OCCIDENTAL AND ECOPETROL (COLOMBIA'S STATE OIL COMPANY) HAVE ALSO INCREASED THEIR EFFORTS TO PROVIDE SCHOOLS AND SERVICES TO COLOMBIANS LIVING ALONG THE PIPELINE. THE PROGRAMS INCLUDE CREDIT, HOUSING AND FARM ASSISTANCE. IN EARLY 2002, BOTH COMPANIES SIGNED AN ASSISTANCE AGREEMENT WITH THE MILITARY THAT PROVIDES FOR APPROXIMATELY FOR USD 8-9 MILLION PER YEAR IN NON-LETHAL ASSISTANCE. OCCIDENTAL IS ALSO WORKING WITH USAID TO DEVELOP BROADER PROGRAMS TO INCREASE THE NUMBER OF PEOPLE BENEFITING FROM THEIR SOCIAL RESPONSIBILITY

UNCLASSIFIED

PAGE 03 BOGOTA 06906 05 OF 06 051918Z
PROGRAMS.

INTELLECTUAL PROPERTY

16. ONE OF THE KEY U.S. TRADE CONCERNs WITH COLOMBIA IS INADEQUATE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS. AS A RESULT OF CONCERNs FROM BOTH THE AUDIO-VISUAL AND PHARMACEUTICAL INDUSTRIES, COLOMBIA WAS ELEVATED TO THE PRIORITY WATCH LIST IN THE 2002 "SPECIAL 301" REVIEW. THE PHARMACEUTICAL INDUSTRY'S MAIN CONCERNs ARE THE ABSENCE OF PROTECTION FOR "SECOND USE" OF PRODUCTS ORIGINALLY PATENTED FOR ANOTHER PURPOSE AND THE LACK OF CONFIDENTIALITY FOR TEST DATA FOR PRODUCTS THAT DO NOT ENJOY PATENT PROTECTION. THE AUDIO-VISUAL INDUSTRY COMPLAINS OF THE SLOWNESS IN THE SHUTDOWN OF ILLEGAL INFORMAL VIDEO NETWORKS AND OF ILLEGAL

Current Class: UNCLASSIFIED

Page: 15

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 16

Channel: n/a

COPYING. THE SOFTWARE AND RECORDING INDUSTRY ARE ALSO CONCERNED ABOUT PIRATING. THE PASTRANA ADMINISTRATION CONSISTENTLY ARGUED THAT IT WAS IN COMPLIANCE WITH ITS TRIPS REQUIREMENTS ON PATENTS. IT ALSO ARGUED THAT ENFORCEMENT EFFORTS AGAINST PIRACY WERE HAMPERED BY THE LIMITED AVAILABILITY OF RESOURCES. EMBASSY OFFICIALS HAVE RAISED THE IMPORTANCE OF IPR ISSUES WITH THE INCOMING MINISTER OF COMMERCE, ESPECIALLY THEIR IMPACT ON ELIGIBILITY FOR ENHANCED ATPA.

COLOMBIAN BARRIERS TO U.S. AGRICULTURAL PRODUCTS

UNCLASSIFIED

PAGE 04 BOGOTA 06906 05 OF 06 051918Z

17. ALTHOUGH COLOMBIA IS AN IMPORTANT REGIONAL MARKET OVERALL, U.S. AGRICULTURAL PRODUCTS SUFFER FROM A NUMBER OF BARRIERS, WHICH THE EMBASSY HAS REPEATEDLY RAISED WITH THE GOC. THESE ISSUES HAVE ALSO BEEN RAISED WITH THE INCOMING AGRICULTURAL AND COMMERCE MINISTERS. THEY ARE:

-- VARIABLE DUTIES UNDER THE ANDEAN COMMUNITY PRICE BAND SYSTEM: THESE ARE APPLIED TO SEVERAL BASIC COMMODITIES INCLUDING WHITE RICE, MALTED BARLEY, WHITE AND YELLOW CORN, WHEAT AND CHICKEN PARTS. THE ANDEAN COMMUNITY HAS THE DISCRETION TO RAISE TARIFFS WITHIN THESE BANDS TO RESTRAIN IMPORTS, A PRACTICE WHICH THE USG CONSIDERS INCONSISTENT WITH COLOMBIA'S WTO OBLIGATIONS.

-- ABSORPTION AGREEMENTS: FOR A NUMBER OF PRODUCTS, INCLUDING CORN, WHEAT, SORGHUM, RICE, MALTED BARLEY AND POULTRY MEAT, THE GOC REQUIRES IMPORTERS TO ALSO PURCHASE SET QUANTITIES OF LOCAL PRODUCTION. THIS IS WTO-INCONSISTENT. COLOMBIA HAS RECEIVED TEMPORARY EXEMPTION FROM WTO DISCIPLINES, AND HAS PLEDGED TO END ABSORPTION REQUIREMENTS BY 2003. THE URIBE ADMINISTRATION INTENDS TO HONOR THIS COMMITMENT.

-- IMPORT LICENSES: MOST AGRICULTURAL PRODUCTS (INCLUDING WHOLE CHICKENS AND TURKEYS, POULTRY PARTS AND MILK) REQUIRE MINISTRY OF AGRICULTURE APPROVAL PRIOR TO THE ISSUANCE OF AN IMPORT LICENSE BY THE MINISTRY OF FOREIGN TRADE. LICENSES CAN BE REFUSED WHENEVER THE MINISTRY OF AGRICULTURE DETERMINES THAT DOMESTIC SUPPLIES ARE SUFFICIENT TO COVER

UNCLASSIFIED

Current Class: UNCLASSIFIED

Page: 16

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 17

Channel: n/a

PAGE 05 BOGOTA 06906 05 OF 06 051918Z

UNCLASSIFIED

UNCLASSIFIED PTQ8197

PAGE 01 BOGOTA 06906 06 OF 06 051920Z
ACTION WHA-00

INFO	LOG-00	COR-01	NP-00	AID-00	AMAD-00	AEX-00	ACQ-00
	CEA-01	CIAE-00	COME-00	CTME-00	INL-00	DEAE-00	DINT-00
	DOEE-00	ITCE-00	DOTE-00	SRPP-00	DS-00	EB-00	EXME-00
	OIGO-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	IO-00	ITC-01	JUSE-00	L-00	VCE-00
	AC-01	NSAE-00	OES-01	OIC-02	OMB-01	OPIC-01	PA-00
	PM-00	PRS-00	ACE-00	P-00	SP-00	SSO-00	STR-00
	TEST-00	TRSE-00	USIE-00	PMB-00	DSCC-00	PRM-00	DRL-02
	G-00	NFAT-00	SAS-00	/012W			

-----D4E33D 051922Z /38

O 022259Z AUG 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 0154
DIRONDPC WASHDC IMMEDIATE
NSC WASHINGTON DC IMMEDIATE
INFO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY PANAMA PRIORITY
USCINCSO MIAMI FL PRIORITY
SECDEF WASHDC PRIORITY

UNCLAS SECTION 06 OF 06 BOGOTA 006906

C O R R E C T E D C O P Y - TEXT ON SECTION 04
UNCLASSIFIED

PAGE 02 BOGOTA 06906 06 OF 06 051920Z

STATE PLS PASS USTR ZOELLICK
STATE FOR G, WHA, WHA/AND, PTER, INL, EB, DRL
NSC FOR AMB. MAISTO
ONDPC FOR DIR WALTERS

E.O. 12958: N/A
TAGS: PREL, OVIP, SNAR, ECON, PGOV, ETRD, PHUM, CO
SUBJECT: SCENESETTER: NEW CHALLENGES AND OPPORTUNITIES FOR
COLOMBIA

Current Class: UNCLASSIFIED

Page: 17

UNCLASSIFIED

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2002BOGOTA06906

Page: 18

Channel: n/a

LOCAL DEMAND OR THAT SUCH IMPORTS WOULD DAMAGE LOCAL PRODUCTION.

-- APTA CONCERNS: THE CONFERENCE REPORT FOR THE APTA SPECIFICALLY MENTIONS THE PRICE BAND SYSTEM COLOMBIA APPLIES TO BASIC AGRICULTURAL PRODUCTS AND MENTIONS COLOMBIA'S FAILURE TO HONOR ITS WTO AGREEMENT TO REMOVE THE PRICE BAND FOR WET PET FOODS. THE REPORT STATES ITS INTENT THAT USTR SHOULD INSIST THAT COLOMBIA HONOR THIS AGREEMENT.

PATTERSON

UNCLASSIFIED

PAGE 03 BOGOTA 06906 06 OF 06 051920Z

UNCLASSIFIED

<< END OF DOCUMENT >>

Current Class: UNCLASSIFIED

Page: 18

UNCLASSIFIED